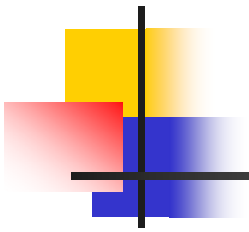


1996 Welfare Reform Law Has Been A Success



House Committee on Ways and Means
January 2005



"Welfare reform has been the greatest social success story of the last 60 years, and it has worked because of its emphasis on work and helping people go to work."

**HHS Secretary and former Wisconsin Governor Tommy Thompson,
June 26, 2002**



Reforms Lead To More Work And Earnings, Less Poverty

Before 1996:

- Most welfare recipients did nothing or were in long-term education that did not lead to work.

After 1996 Reforms:

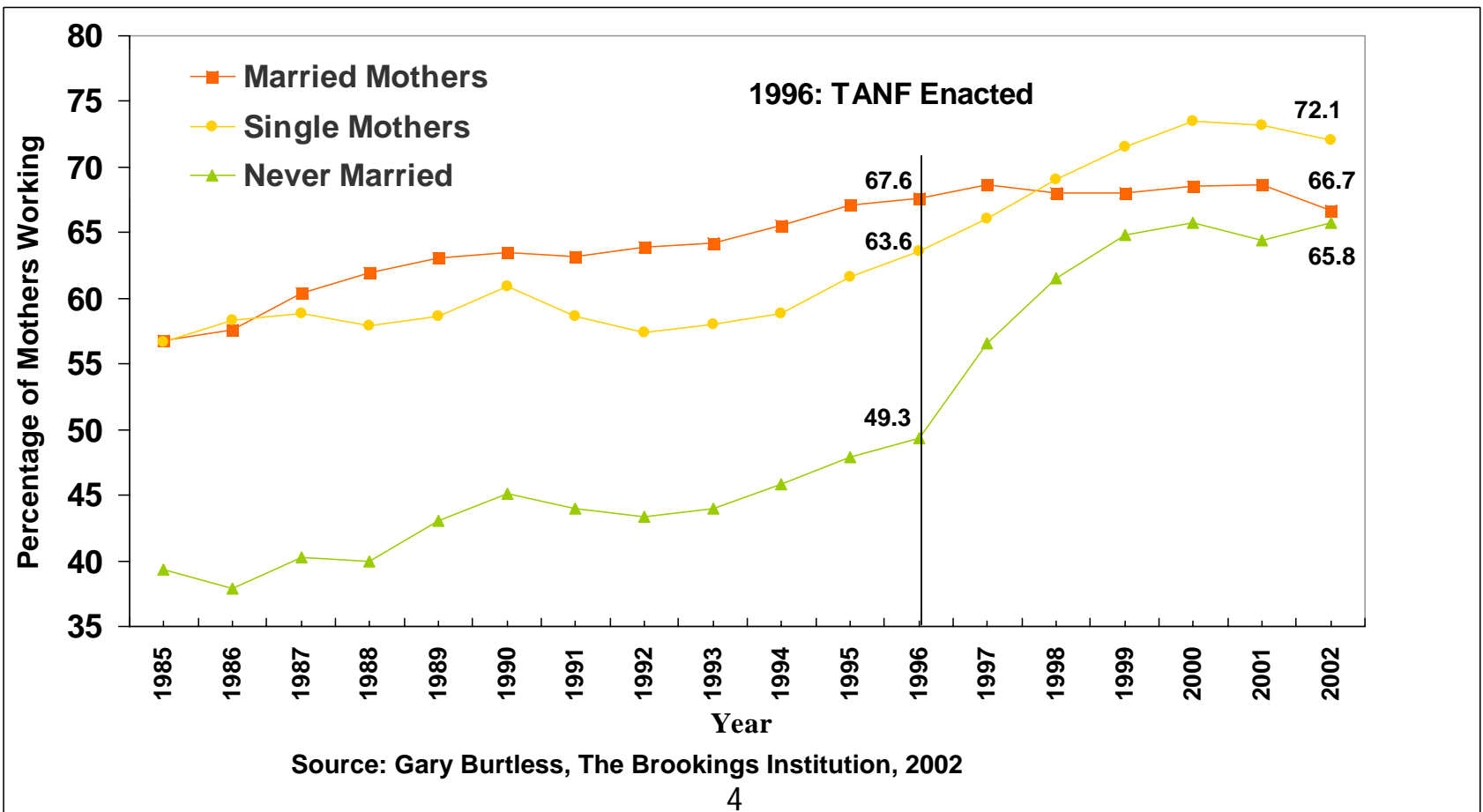
- Reforms lead to record rise in work and earnings.
- Child poverty falls, as more individuals move from welfare to work.

H.R. 240, the House Republican Welfare Reauthorization Bill:

- Raise share of welfare recipients expected to work.
- Add “reducing poverty” as program purpose.

Record Number Of Moms Work

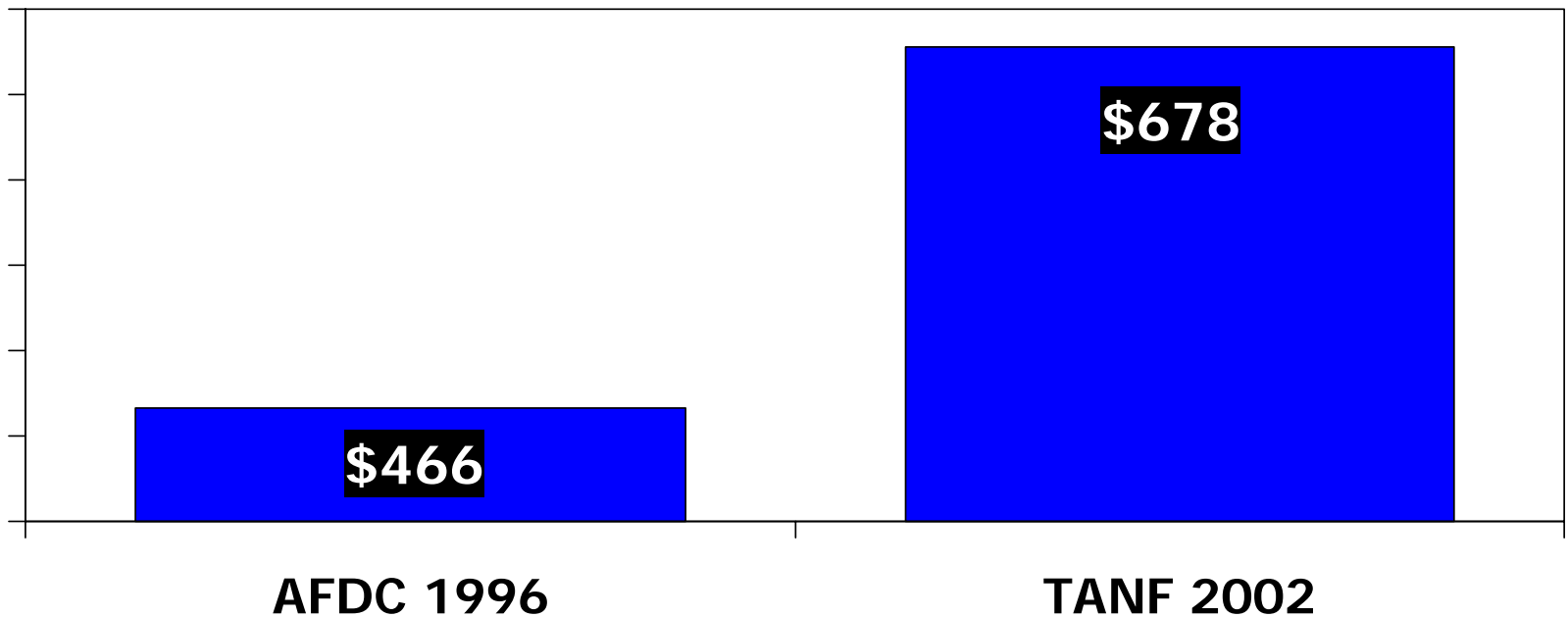
Percentage of Married, Single,
and Never-Married Mothers Working, 1985-2002





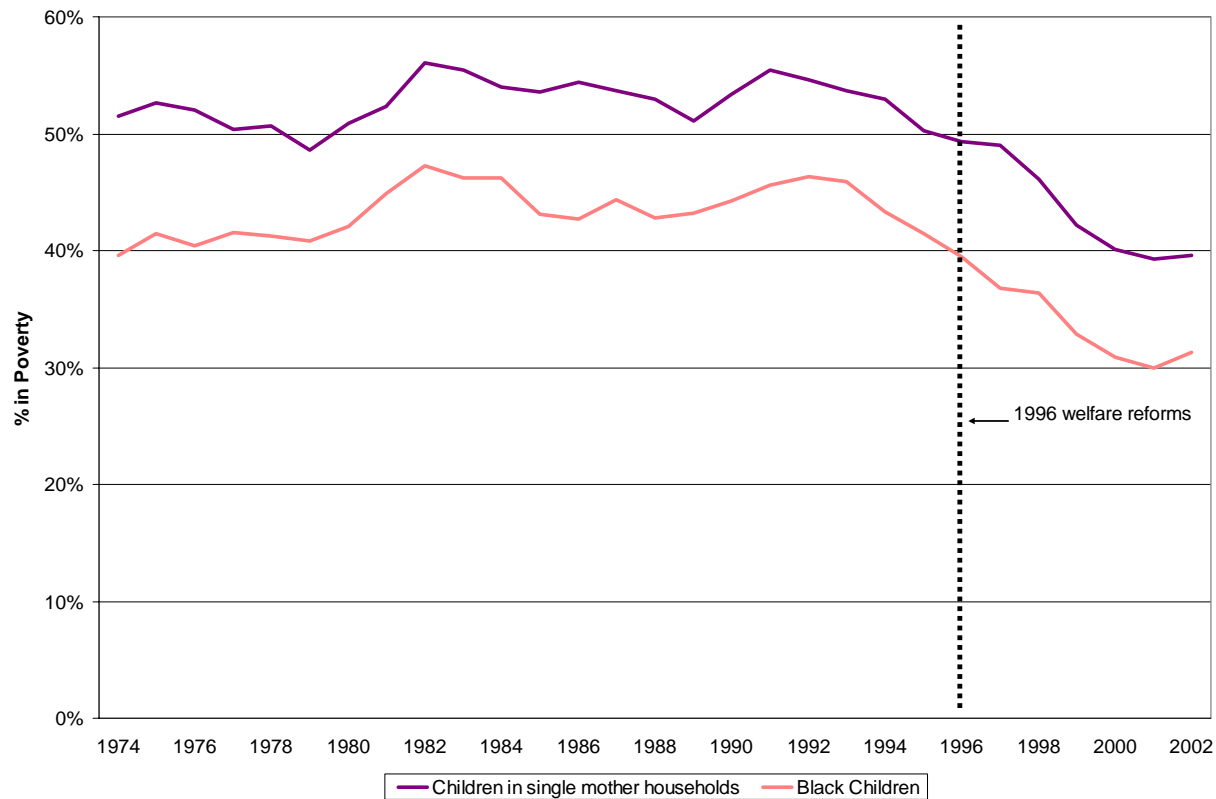
Focus On Work Increased Earnings

Average Monthly Earnings of Welfare Recipients



Source: HHS.

Key Poverty Rates Fall To Record Lows



Source: US Census Bureau, September 2003.



Caseloads Plummet As Families Go To Work

Before 1996:

- 5 million families on welfare; no time limit on benefits.

After 1996 Reforms:

- Most families exit for work, leaving only 2 million families on welfare.
- 5-year limit on cash benefits reinforces that aid is temporary and must lead to work.

H.R. 240, the House Republican Welfare Reauthorization Bill:

- Update incentives for more work, smaller caseloads.
- Maintain time limits and strengthen sanction policies proven to increase work and earnings.



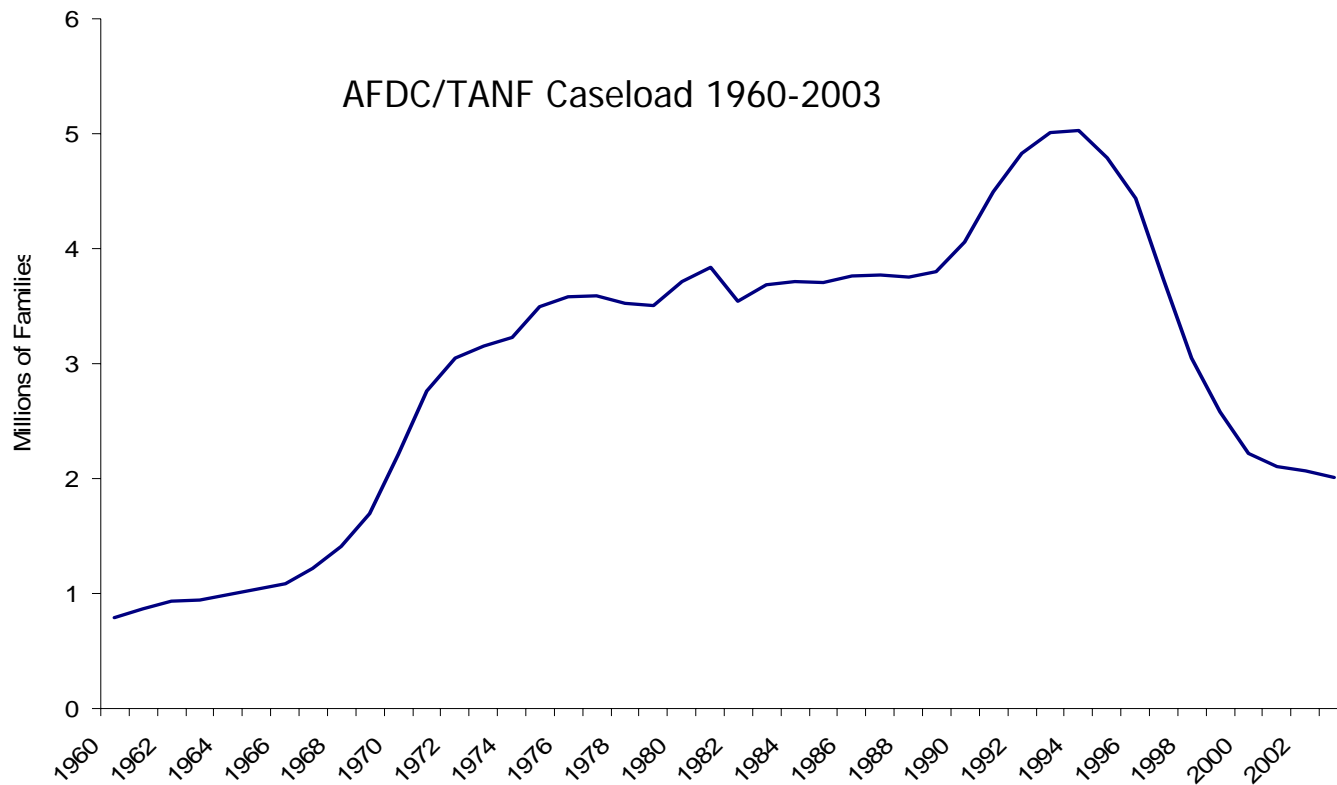
Before 1996: Safety Net Or Trap?

Average length of stay on welfare for recipients on the rolls in 1995....

13 years

Source: Pavetti, Urban Institute, 1995.

Caseloads Plummet Under Reform



Source: HHS.



Reform Provides More Support Per Family

Before 1996:

- Welfare spending grew as caseloads ballooned.

After 1996 Reforms:

- Fixed block grant stopped runaway spending growth.
- Reform led to billions in program savings, boosting budget surpluses.

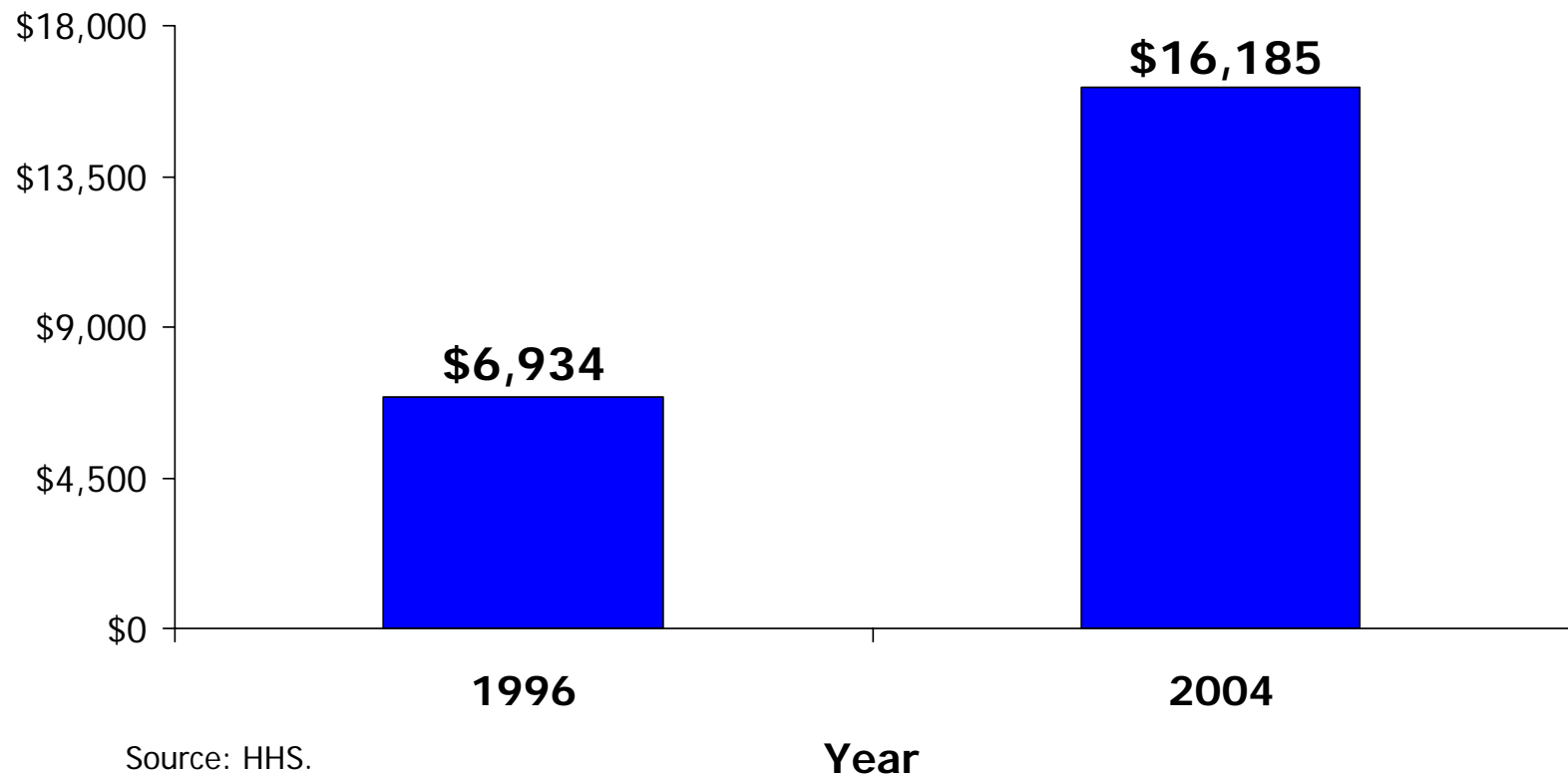
H.R. 240, the House Republican Welfare Reauthorization Bill:

- Maintaining the welfare block grant and increasing child care funding -- despite the 60% caseload decline since 1996 -- means funding per family on welfare today has more than doubled.

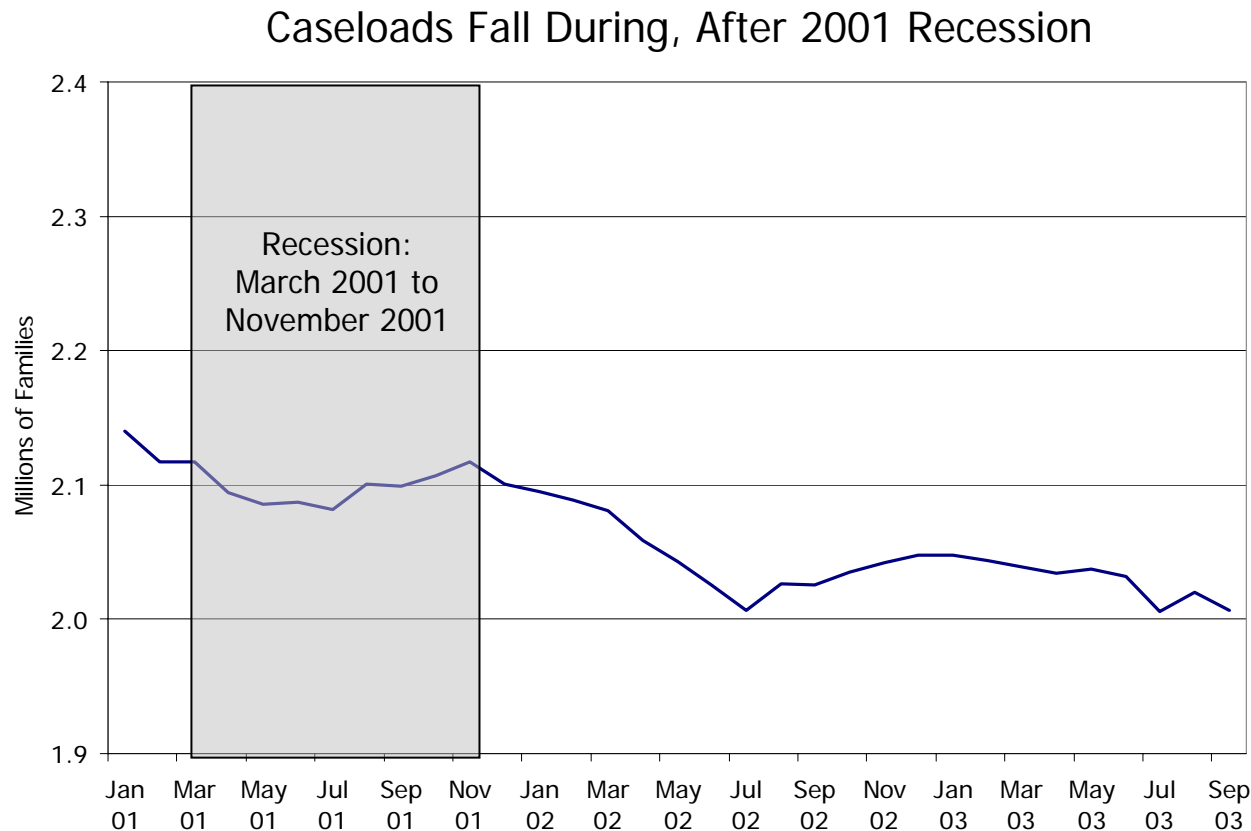


Funds Per Family More Than Doubled Since 1996

Federal and State TANF and Child Care Funds Per Family



Despite Opponents' Predictions, Safety Net Works During Recession



Source: HHS and National Bureau of Economic Research.